

## vatALERT: Reduced Search Engine VAT Costs

### Opportunity for retrospective refund claims

HM Revenue & Customs (“HMRC”) has announced that it has revised its policy in terms of the VAT treatment of pay-per-click charity advertising on sponsored links. This includes arrangements whereby charities pay each time searches click through from search engines to their site.



HMRC now accept that these charges relate to a supply of advertising and as such can be zero-rated when supplied to charities, provided the relevant certificate is issued.

The certificate should not only ensure that these costs are zero-rated going forward but in addition the supplier should now refund the VAT previously incorrectly charged to the charity over the last four years by issuing a VAT credit note.

#### How can we help?

For further on how we can help you make a VAT claim please contact Carolyn Van Hecke our VAT specialist on **0151 255 2727** or email [carolyn.vanhecke@cowgills.co.uk](mailto:carolyn.vanhecke@cowgills.co.uk)

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